

VZCZCXRO5291
RR RUEHBC RUEHDE RUEHKUK RUEHROV
DE RUEHAM #2945/01 3010612
ZNR UUUUU ZZH
R 270612Z OCT 08
FM AMEMBASSY AMMAN
TO RUEHC/SECSTATE WASHDC 3731
RUEHLMC/MILLENNIUM CHALLENGE CORP
INFO RUEHEE/ARAB LEAGUE COLLECTIVE

UNCLAS SECTION 01 OF 03 AMMAN 002945

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [PREF](#) [ECON](#) [PGOV](#) [KPAL](#) [KWMN](#) [JO](#)
SUBJECT: INFLATION PUSHES WOMEN IN JORDAN'S PALESTINIAN

REFUGEE CAMPS INTO THE WORKFORCE

REF: A. AMMAN 2366
[1](#)B. AMMAN 1724
[1](#)C. AMMAN 1725
[1](#)D. AMMAN 1744
[1](#)E. AMMAN 1753
[1](#)F. AMMAN 1466
[1](#)G. DIANE SINGERMAN - "AVENUES OF PARTICIPATION:
FAMILY POLITICS AND NETWORKS IN URBAN
QUARTERS OF CAIRO" (1996)
[1](#)H. AMMAN 2582

AMMAN 00002945 001.2 OF 003

[1](#)1. (SBU) Summary: Poloff recently met with forty women in the Wahdat and Zarqa Palestinian refugee camps to talk about the impact inflation is having on their daily lives. While the conservative culture of the camps is still a barrier to employment, economic necessity is pushing an increasing number of women in the camps into the workforce. Most women in the camps who work have home-based businesses such as sewing and catering -- sectors which face quite a bit of market volatility. In managing their household budgets, women in the camps are cutting back on essentials. Inflation has even changed the calculus of marriage for young women in the camps. Local savings cooperatives and UNRWA-provided microcredit are still the financial tools of choice in the camps. End Summary.

Inflationary Pressures Push Women Into the Work Force

[1](#)2. (SBU) "The economy is pushing women to work," says 'Adli Al-Sharaqa, the director of the women's program center in Wahdat camp. "The income generated by women is now needed just as much as the income generated by men." The women we spoke to in Wahdat and Zarqa camps agreed that JD 200 (USD 280) per month is the prevailing wage for unskilled male labor in the camps. Depending on the type of home-based employment they pursue, women can add up to JD 120 (USD 168) extra to that figure -- the equivalent of a minimum wage salary.

[1](#)3. (U) While the educational level of women in the camps varies widely, they are united by a conservative culture which places restrictions their ability to enter the labor market. A law student from Wahdat camp feared that all of her hard work towards obtaining a degree would go to waste in the end, as she would be unable to pursue her legal career outside of the strict watch of her relatives. "We have lots of talent, but most of it is going unused," she complained.

[1](#)4. (U) Yet as economic burdens increase, culture is giving way to necessity. The women we spoke to were unanimous in their assertions that lack of child care, not cultural conservatism, is the primary factor which prevents them from pursuing jobs outside the camps. "In principle, the 'culture

of shame' is still there, but it's becoming less important in the face of economic pressure," Sharaqa asserts. Women in Zarga camp told poloff that they are increasingly pursuing seamstress jobs in the nearby Qualifying Industrial Zone (QIZ) despite low wages (90 JD/126 USD per month on average) and the potential for loss of face with relatives and the community at large.

Home-Based Businesses Struggle

15. (U) As the social and economic world of the camps is generally cut off from the rest of society, it can be difficult for women in the camps to make the initial foray into home-based businesses (Ref C). Most budding entrepreneurs in the camps start off by producing for each other or looking for sub-contracting work, gradually gaining a reputation among their established peers who have links to go-betweens in the broader economy. Once that reputation is established, women can then pursue business relationships with outsiders based on recommendations from others in the camps. In Wahdat camp, businessmen in the textile industry frequently appear at the UNRWA women's center and use it as a clearinghouse for labor. Many women in the camps try their hand at custom sewing or embroidery. Others run catering businesses which focus on labor-intensive foods for sale to local eateries or hotels. Service as domestic workers is a far less popular option, but one that more and more women in the camps told us they are turning to.

16. (U) Female entrepreneurs in the camps are especially vulnerable to volatility in the market for labor and goods. Women in Wahdat camp said that when someone builds a successful home business, they often face sudden competition from other women who flood the market with similar goods. They also spoke about the impact of technology in the textile

AMMAN 00002945 002.2 OF 003

sector, where computer-generated patterns and cheap imports are reducing the demand for handmade products. Since inflation has impacted all of Jordanian society, women in the camps are also noticing that orders for the luxury items they tend to produce are falling off. Meanwhile, UNRWA is working to broaden the employment horizons of women in the camps who work by offering training courses in graphic design and other computer-related industries which can be pursued remotely.

Stretching the Household Dinar

17. (U) Even as they search for sources of supplemental income, the women of the camps are stretching their family budgets further and further. Women in Wahdat camp agreed that meat was now generally absent from their diets, as it has become largely unaffordable. Spending on even the most basic foods is being scaled back; women talked about substituting bread for rice in many of their dishes, as it was a marginally cheaper alternative. Several remarked that they no longer saw bags of old bread thrown out with the garbage, as families in the camps are using every crumb available to them. Inflation has even hit mujadara, the mix of carbohydrate staples typically seen as the cheapest way to fill a family's stomach. Women talked about adjusting their recipes so as to scale down the use of lentils (whose price has increased by 155 percent in the last year) and pasta (whose price has increased 43 percent). Families in the camps also told us that, with increasing prices of cement and iron, they are increasingly unable to perform routine structural maintenance on their homes.

18. (U) As the added expenses of the school year, holiday season, and winter loom on the horizon, women in the camps are increasingly worried about the future. Even as the Ministry of Education has eliminated tuition fees for public schools for the coming school year (Ref H), school supplies and clothing still represent a burden for many. The holiday

season also comes with increased costs, including more extravagant evening meals and gifts for children. All of the women we talked to were using savings cooperatives (outlined below) to save for Ramadan. The people of the camps are already concerned about how they will pay for heating during the winter. Subsidies for natural gas canisters used in heating, although slated for elimination, have remained in place in recognition of high inflation and other economic challenges. Still, people in the camps continue to see this necessity as too expensive.

Marriage Market Volatility

¶9. (U) One of the most prominent social impacts of rising prices in the camps is the inability of young couples to marry (Refs C and D). Women we spoke to in Wahdat camp agreed that the average cost of a wedding ceremony and accompanying dowry is around JD 5,000 JD (USD 7,000), a gigantic expense for couples that may earn as little as JD 320 (USD 450) per month combined. While expectations of flashy ceremonies among the young maidens of the camps have not yet caught up to the full realities of inflation, there are ways to cut corners. The women of Wahdat camp indicated that much of the "gold" jewelry in dowries these days is less than authentic. They also noted that real estate, typically the first purchase a couple makes with the proceeds of their wedding, is now out of reach. Couples in the camps who can scrape together enough to get married are now living with their parents, or building additional stories onto existing homes rather than constructing a house from scratch. "My son wants a house for him and his fiancée. In the past, I could have afforded it, but not now," complained one woman from Zarqa camp.

¶10. (U) Several women in Zarqa camp said that the conventional wisdom about when a girl should marry has been dramatically altered by the impact of inflation. Poorer families whose daughters have little hope of an education are now seeking to marry them off at an earlier age. Reduced bride prices for younger girls allow suitors to avoid the enormous sums necessary to marry, and help the bride's family lower the number of mouths they have to feed. "I married my daughter off at seventeen to get rid of her," said a woman in Zarqa camp. On the other hand, educated women who can fetch a larger bride price are now waiting longer for suitors who have the means to give them what they are worth. In recognition of the extra income and educated spouse can provide, bride prices for educated women are now double that of an uneducated younger woman.

Jama'iyya - The Banking System of Choice

AMMAN 00002945 003.2 OF 003

¶11. (U) As in much of the Arab world, women are the managers of household budgets in the camps. Yet of the forty women we talked to, not one of them had a bank account. The general belief is that traditional banks are "unIslamic" as they lend money at interest. Since most banks in Jordan require an initial JD 200 (USD 280) minimum balance, the women in the camps see a savings account as an luxury. They prefer to keep their assets within the community, and have limited savings goals which would gain little from an interest bearing account at any rate.

¶12. (U) All of the women we talked to used "jama'iyya" or local savings cooperatives, a common way of saving money in the Arab world in which members pay into a common fund monthly, and each month one of the members is selected to receive the proceeds on a rotating basis (Ref G). The women we talked to said they were involved in overlapping jama'iyya, with outlays of varying amounts which correspond to the price of big ticket items like weddings, appliances, or cars. Most were contributing between JD 10 and JD 25 (USD

14 - 35) per month.

¶13. (U) Many of the women we talked to were also taking advantage of UNRWA microcredit programs. Since banking institutions in Jordan are ill-equipped to deal with the needs of poverty-stricken Palestinian refugees (whose collateral is limited by the fact that they do not own the land their houses are built on; Ref D), it is difficult to find the initial investment necessary for most women to start their own businesses. Maha Al-Rantisi, who heads UNRWA's social services programs in Jordan, says that block grants of JD 5,000 (USD 7,000) have been allocated to all women's program centers to help entrepreneurs get their start.

Comment

¶14. (SBU) All of Jordan has been hit hard by inflation and high fuel and commodity prices, but the impact is felt deeply in the camps where general living conditions were already worse than the national average. Women from the camps, who previously only entered the workforce previously as a last resort, are now finding that their labor is a necessity rather than a luxury. Families in the camps have historically relied on their close-knit communities as a social safety net in tough times. Kinship bonds could usually be called upon to right a faltering business, cover a loan payment, or invest in a new venture. Yet in the current environment, inflation has hit the entire community, drying up these pools of capital. It remains to be seen whether women will retain their positions as breadwinners if the economic situation improves. The women we talked to found it difficult to visualize any time in the near future when their added income would no longer be needed.

Beecroft